EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

JUL 25 1977 DD/A Registry

File ATM 5

DD/A Registry

77-4283

Mr. John E. Blake
Acting Deputy Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. Blake:

Thank you for your letter of July 14, 1977 regarding the
Federal ADP Reorganization Project. Your suggested six
additional issuances will be considered in the course of
the study. Your offer of active participation on several
of the task forces is greatly appreciated.
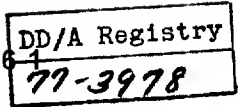
Sincerely,

Wayne G. Granquist
Associate Director for
Administrative Management

DD/A Registry
77-3978

ODP 1363-77
11 JUL 1977 DD/A Registry
File O+M 2-2

MEMORANDUM FOR: Deputy Director for Administration

FROM   : Clifford D. May, Jr.
                 Director of Data Processing

SUBJECT   : Reply to Letter from President's Reorganization
                 Project

REFERENCE   : Letter from President's Reorganization Project,
                 dtd 15 June 1977, Subject: Improved Management
                 of Federal Data Processing Resources

     1.   Action Requested: This memorandum forwards for your
signature a memorandum to the DDCI containing a proposed response
to referenced letter.

     2.   Background: The reference was routed to ODP to
prepare a response. The President's Reorganization Project
has requested comments on the issues, problems, and solutions
that should be addressed in a study dedicated to improving the
management of Federal data processing resources. The Comptroller
and Directorate ADP Control Officers were contacted by ODP for
their comments and the proposed reply reflects their input.

     3.   Recommendation: It is recommended that the attached
memorandum be signed and forwarded to the DDCI along with the
letter which has been prepared for his signature.

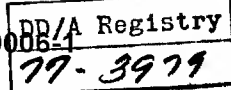   STATINTL

                                      Clifford D. May, Jr.

Atts: a/s

Distribution:
Orig & 1 - Addressee
       1 - ODP Registry
       2 - O/D/ODP

not for warded signed att as acting DDCI
JFB

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM : John F. Blake
Deputy Director for Administration

SUBJECT : Reply to Letter from President's Reorganization Project

REFERENCE : Letter from President's Reorganization Project, dtd 15 June 1977, Subject: Improved Management of Federal Data Processing Resources

1. <u>Action Requested</u>: This memorandum forwards a letter for your signature in reply to the reference, attached.

2. <u>Background</u>: The President's Reorganization Project has initiated a comprehensive re-examination of Federal ADP Management and Policy. The Agency has been requested to submit comments on the issues, problems, and solutions that should be addressed in a study dedicated to improving the management of Federal data processing resources. In addition to the 31 issues identified in referenced letter, we have identified six new issues which are of common interest and we believe should be addressed in the study.

3. <u>Staff Position</u>: In the preparation of the proposed reply, the Office of Data Processing contacted each Directorate ADP Control Officer and the Comptroller to obtain their comments. The reply reflects their input and represents a coordinated response.

4. <u>Recommendation</u>: I recommend that you sign the proposed Agency response to the letter from the President's Reorganization Project.

John F. Blake

Atts: a/s

STATINTL

ORIGINATOR: _____   _July 77_
　　　　　　　　Clifford D. May, Jr., D/ODP   　　Date

Distribution:
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        1 - ER
        2 - DDA
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14 July 1977

Mr. Wayne G. Granquist
Associate Director for Administrative Management
Office of Management and Budget
President's Reorganization Project
Washington, D. C.   20503

Dear Mr. Granquist:

In response to your letter to Director Turner dated
June 15, 1977, let me say first that I strongly endorse a
study to improve the management of Federal data processing
resources. This is a familiar subject to me since I have
recently initiated several positive steps to improve ADP
management in this Agency.

We currently have personnel working on many of the
issues you listed but have not made any comments on the
issues themselves, believing that opportunity will come as
a part of our participation in the study. My staff has
suggested six additional issues for consideration. They are:

1. Guidelines for sharing data bases
   among organizations.

2. Guidelines for joint system development
   between organizations.

3. Policy and guidelines concerning micro-
   computers (personal computers).

4. Centralized procurement of unbundled systems
   software.

5. Special problems concerning ADP systems
   processing sensitive information, particularly
   implementation of contracting-out guidelines.

6. Impact of the trend toward decentralization
   of ADP facilities on current Federal manage-
   ment procedures and policies.

We are interested in active participation in several of the issue oriented task forces and would be pleased if you will keep us advised on your plans.

Sincerely,

/s/John E. Blake

/s/John F. Blake
Acting Deputy Director

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JUN 1 5 1977

Honorable Stansfield Turner
Director
Central Intelligence Agency
Washington, D.C.   20505

Dear Mr. Turner:

In fiscal year 1978 the Federal Government will spend over
$4 billion and employ more than 150,000 people in the area
of general purpose data processing. There is growing
recognition that these resources are not being acquired
and managed in the most economic and efficient manner. To
address and begin to solve these problems, the President's
Reorganization Project has initiated a comprehensive
re-examination of Federal ADP management and policy. An
outline of the project is enclosed.

The President has established three basic criteria for
the project: it should be based on careful and comprehen-
sive analysis; it should be conducted in a manner which
permits the largest number of people both within and out-
side Government to be involved; and it should be a decision
forcing, action oriented process. Accordingly, one of our
first objectives is to seek out and receive views from
those persons and organizations with an interest in the
management of Federal data processing resources.

We invite your organization to submit comments to us by
July 15, 1977 on the issues, problems and solutions that
you believe should be addressed in a study dedicated to
improving the management of Federal data processing re-
sources. A list of issues and problems that have previously
been identified is enclosed as an initial guide to our con-
cerns. It is by no means all inclusive, so use or ignore
this list as you deem appropriate.

In order to assure that all those concerned participate,
please provide a copy of this letter to other persons and
organizations who might be interested in submitting separate
responses.

2

The management of Federal data processing resources is a significant factor in the delivery of governmental services and the operations of Government. The goal of this project is to assure the effective and efficient use of those resources. I hope you will help in achieving that goal.

Sincerely,

Wayne G. Granquist
Associate Director for
Administrative Management

2 Enclosures

AUTOMATIC DATA PROCESSING REORGANIZATION STUDY

° In FY 1978, the Federal Government plans to spend more than $4 billion and employ more than 150,000 Federal and contractor personnel to operate over 11,000 computers.

° Over the past few years there has been rising criticism of Government computer use. Serious questions exist about the adequacy of the management of these resources. There is also concern that this technology represents a threat to individual privacy.

° The ADP Reorganization Project will focus on:

  1. Improving productivity in the delivery of governmental services through the application of computer technology;
  2. Improving the acquisition, management and use of these resources; and
  3. Eliminating duplication and overlap in agency jurisdictions dealing with computer questions.

° While the study is intended to be a comprehensive re-examination of Federal data processing, it will be structured in a fashion which will permit pieces to be spun off and acted upon throughout the period of the study.

° It is anticipated that the full study and initial implementation of recommendations will take 10-12 months.

° The study will be coordinated as a part of the President's Reorganization Project and organized into a small full-time project management staff and a series of issue oriented task forces composed of individuals from the private sector, Federal agencies and OMB.

° Because various organizations associated with Federal data processing activities hold widely divergent views on objectives and priorities, special efforts will be made to solicit their input in the early stages of the study.

Enclosure 1

Data processing planning process

Requirements definition

Economic analysis (justification for use of data processing)

Evaluation of alternative sources of computer support
    (sharing, private sector, in-house, etc.)

Evaluation of alternative methods of procurement (full
    competition, brand name or equal, sole make and model,
    sole source, etc.)

Evaluation of alternative methods of financing procurements
    (outright purchase, lease, lease with option to purchase,
    lease to purchase, etc.)

Central agency (OMB, GSA, NBS) vs. user agency responsibilities

Central agency (OMB, GSA, NBS) policies and regulations

Convergence of data processing and telecommunications

Application life-cycle vs. equipment life cycle planning and
    management

Data processing application program evaluation

Integration of program and data processing budgets

Management audits of data processing operations

Processing of agency procurement requests

Delegations of procurement authority to agencies

Data processing planning and budget information

Interim upgrade policy

Software conversion cost policy

Software development and acquisition

Goals and objectives of standards program

Standards enforcement authority

Computer resources management systems

Data processing work accounting systems

Data processing job classifications

Certification of data processing personnel

Career development and training

Computer security policy

Full cost recovery policy

Data processing fund policy

Functional performance specifications policy

Software Exchange Program

Etc.

Enclosure 2

Approved For Release 2002/01/08 : CIA-RDP80-00473A000400050006-1

Next 2 Page(s) In Document Exempt